

The requirements of a tire retailer to collect the Tire User Fee apply exclusively to tires to be used for vehicles defined in Section 1-217 of the Illinois Vehicle Code (625 ILCS 5/1-217), aircraft tires, special mobile equipment, and implements of husbandry. See 415 ILCS 5/55.8. (This is a GIL.)

July 17, 2006

Dear Xxxxx:

This letter is in response to your letter dated July 10, 2006, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

Our business has recently registered to sell new and used tires at retail in the State of Illinois. The statute language and the publications issued by the Department of Revenue do not seem to adequately explain what types of tires are excluded from the tire user fee.

Following is a brief description and typical use of three types of vehicles in which we stock and sell replacement tires. We would like to get a letter ruling to determine whether the new and used replacement tires sold at retail for these types of vehicles are excluded from the tire user fee.

l) Skid Steer Loader – Skid Steer Loaders are multi purpose vehicles that do a variety of different types of work. They are mainly used on building construction projects in the land clearing/site preparation, demolition, grading, concrete, and material handling tasks. They also are used in the agricultural industry to perform livestock chores, fencing tasks, land maintenance, and clean up/fertilizer tasks. Use in other industries include landscaping (land clearing, hardscaping, turf installation, site maintenance, irrigation installation, & plant/tree/shrub installation tasks), concrete (demolition, site prep, flatwork, foundation tasks), and building and grounds (snow removal, material handling, utility trenching, & landscaping tasks).

- 2) Zero-turn mower- Our zero turn mowers are sold to consumer and commercial customers. The mowers are used almost exclusively for cutting grass and brush.
- 3) Compact Tractor- Our compact utility tractors are designed to be used in a variety of tasks. These include landscaping, turf care, land maintenance, site preparation, agriculture, and material handling. These tractors are larger than your normal lawn and garden tractor, but are smaller than your typical farm tractor as the largest engine is 65 Horsepower.

We have enclosed brochures from each of these types of vehicles for your information. If you require any additional information please feel free to give me a call or write me at the address listed below.

DEPARTMENT'S RESPONSE:

Information regarding the Tire User Fee for tire retailers may be found at 415 ILCS 5/55.8. Effective July 1, 1992, any person selling new or used tires at retail or offering new or used tires for retail sale in this State is required to collect from retail customers a fee of \$2.00 per new and used tire sold and delivered in this State to be paid to the Department of Revenue. The retailer is allowed to retain a collection allowance of 10 cents per tire to be retained by the retail seller. Beginning July 1, 2003, and continuing until January 1, 2008, the retailer is required to collect an additional 50 cents per new or used tire sold and delivered in this State. See 415 ILCS 5/55.8(a)(1.5).

The requirements of a tire retailer to collect the Tire User Fee apply exclusively to tires to be used for vehicles defined in Section 1-217 of the Illinois Vehicle Code (625 ILCS 5/1-217), aircraft tires, special mobile equipment, and implements of husbandry. See 415 ILCS 5/55.8(d).

The Illinois Vehicle Code (625 ILCS 5/1 -191) describes "special mobile equipment" as

every vehicle not designed or used primarily for the transportation of persons or property and only incidentally operated or moved over a highway, including but not limited to: street sweepers, ditch digging apparatus, well boring apparatus and road construction and maintenance machinery such as asphalt spreaders, bituminous mixers, bucket loaders, tractors other than truck tractors, ditchers, leveling graders, finishing machines, carryalls and scrapers, power shovels and drag lines, and self-propelled cranes and earth moving equipment. The term does not include house trailers, dump trucks, truck mounted transit mixers, cranes or shovels, or other vehicles designed for the transportation of persons or property to which machinery has been attached.

Based on the information provided, it appears the Tire User Fee would apply to the retail sale of new or used tires for equipment such as Skid Steer Loaders and Compact Tractors. The term "lawn mower" is not a piece of equipment to which the Tire User Fee would apply.

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

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